

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Electronic Hardware Policy 2012-2017 of the Government of Andhra Pradesh – Administration of Incentives as per Electronic Hardware Policy 2012-2017 to the eligible Electronic Hardware Industry/ Companies – Operational Guidelines - Orders –Issued.

INFORMATION TECHNOLOGY & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No. 3

Dated: 11 .01.2013

Read the following:

Electronic Hardware Policy 2012-17 issued vide G.O.Ms.No. 27, IT&C Department, Dated: 24 .07.2012.

ORDER:

In order to achieve the objective of promotion of Electronic Hardware Manufacturing Sector as a prime growth engine for employment generation and overall socio-economic development of the State of Andhra Pradesh, Government after due consideration, issued orders read above, putting in place the Electronic Hardware Policy 2012-2017, w.e.f. 24-07-2012, for a period of 5 years.

2. Further to enable Electronic Hardware Manufacturing companies to set up, sustain, function and grow their operations in an investment-friendly, proactive, conducive and hassle free environment in the State, while identifying specific Focus Areas, Government has also pronounced certain incentives and facilitation measures in the said Electronic Hardware Policy.

3. Taking into consideration the feedback of Electronic Hardware Manufacturing industry on the said Electronic Hardware Policy 2012-2017, and in continuation to the orders read above, Government hereby issues the following operational guidelines and application in Proforma for transparent administration of various incentives, subsidies mentioned in the Electronic Hardware Policy 2012-2017 to the eligible Electronic System Design and Hardware Manufacturing industry/companies as applicable:

S.No.	Particulars	Operational Guidelines
1	Applying for Incentives	(i) A Common Application Form (as mentioned at Annexure-I) has been designed keeping in view the statutory/audit/legal requirements of the Government for claiming all the applicable incentives that are available as per Electronic Hardware Policy 2012-2017 by the Electronic System Design and Hardware Manufacturing companies, as per their eligibility, (ii) The Application in Proforma is available on www.goir.ap.gov.in www.apit.ap.gov.in ; which can be downloaded and filled in at the relevant columns. The filled in application form can be submitted on line/ emailed to:- secy_itc@ap.gov.in Print out of the same will have to be signed

		<p>and submitted with appropriate physical documents as requested in the application form for verification purpose.</p> <p>(iii) Eligibility criteria for claiming specific incentive should be verified before filing the Application form.</p> <p>(iv) The applicant is welcome to make personal enquiries/clarifications on the eligibility criteria/filing & filing of Application form, status on process of their request, to avoid delays. Facilities for email enquiries are available and replied at the shortest possible time.</p> <p>(v) All request for incentives are tabled for discussion in the CCESDM (Consultative Committee on Electronic System Design & Manufacturing). After due consultation with the members of the said Committee (which authenticate the documents produced by the applicant), the application is processed. The Composition and terms & conditions of CCESDM is at Annexure-II which meets periodically to solely accept or reject any claim/ request for any eligible & applicable incentive to the Electronic system design and Hardware Manufacturing companies/ industry.</p> <p>(vi) Best efforts shall be made for processing the requests for eligible and applicable incentives at the least possible time, subject to availability of budget/resources. The sanctioned amount of the financial incentive, if need be, are released on instalment basis.</p> <p>(vii) The Electronic System design and Manufacturing ESDM companies are required to follow and adhere to certain terms & conditions, as prescribed in such sanction/release Order of the Government, with respect to their claim of incentive.</p>
2	Provision of Land	Guidelines are at Annexure –III
3	Industrial Power Category Conversion/Rebate in Power Tariff	Guide lines are at Annexure-IV
4	100% or 50% reimbursement of Stamp duty	Guide lines are at Annexure-V
5	Performance Guarantee	<p>In respect of released amounts of claims pertaining to eligible & applicable incentives, i.e.,(i) 100% or 50% reimbursement of Stamp duty; (ii) reimbursement of lease rentals (iii) reimbursement of quality certification expenditure (iv) reimbursement of patent filing costs, (v) Recruitment Assistance, (v) Tier II/Tier III Anchor Company Incentive (vii) Investment subsidy and (viii) Reimbursement of interest paid on loans obtained from financial institutions, in respect of SC/ST and</p>

		Women Entrepreneurs, a Performance Guarantee, equivalent to the full extent of amount released, in the form of Bank Guarantee, is required to be furnished, as per Proforma at Annexure-VI.
6	Electronic Hardware Manufacturing /IT is an Essential Service	Vide G.O.Ms.No.27, IT&C Dept, dt:24.07.2012 - Electronic Hardware Policy 2012-2017, Electronic Hardware Manufacturing is declared as Essential Services under AP Essential Services Maintenance Act. Further vide GO Ms.No.5, IT&C Dept, Dated: 20.04.2010, the IT/Electronic Hardware Manufacturing Industry is entirely covered under ESMA.
7	Electronic Hardware Manufacturing /IT Industrial Security Task Force	Govt Orders constituting Electronic Hardware Manufacturing/ IT Industrial Security Task Force for monitoring the law & order situation has already been issued vide G.O.MS.No:111, GA (L&O.I) Dept, dt:10.03.2010 and it is in force.
8	Single Window clearance	Government Orders constituting Single Window Agency for obtaining the approvals/clearances of statutory agencies for Electronic system design and Hardware Manufacturing/ ICT industry has already been issued under Electronic Hardware Policy 2012-2017, Para.12 (VIII), issued vide G.O.Ms.No.27, IT&C Dept, dt:24.07.2012 and vide GO.Ms.No:2, IT&C Dept, Dated: 18.03.2010 and are in force.
9	Working Conditions in Electronic system design and Hardware manufacturing Sector,	Government Orders indicating the working conditions in Electronic Hardware sector, has already been issued vide G.O.Ms.No:62, LET&F (Lab-4) Dept, dated: 30.05.2012 and it is in force.
10	Notified Electronic Hardware national/ International Exhibitions	Government Orders notifying Electronic System design and Electronic Hardware manufacturing national/International Events/ Exhibitions/Conferences that can be participated by ESDM companies for claiming 50% reimbursement of stall rentals charges has been issued under Electronic Hardware Policy 2012-2017, Para.12, issued vide G.O.Ms.No.27, IT&C Dept, dt:24.07.2012.
11	Notified Electronic Hardware Park Status / SEZ/ electronic Hardware Cluster	Government Orders on creation of Electronic Hardware Manufacturing Clusters in AP has been issued vide G.O.Ms.No.28, IT&C Dept, dt:24.07.2012. Government Orders pertaining to terms & conditions that have to be adhered in respect of Electronic Hardware Park Status / SEZ/ electronic Hardware Cluster, will be issued separately.

4. Processing and release of incentives are subject to verification of authenticity of information furnished on turnover, investment, employment and continuity in operations of business, from the statutory agencies, such as, STPI, SEZ Commissioner, ELIAP, Commissioner of Industries, DIC, Commissioner – Commercial Tax etc.

5. In case it is found at any point of time that any particular incentive is claimed by any Electronic Hardware company through mis-representation of facts/furnishing of false information and in case it is found that the respective company is not eligible for the incentive sanctioned or claimed, Government can seek the refund of the same from the company and initiate penal action as is deemed fit.

6. The interpretation and decisions of the Government is final with regard to applications made by the Electronic Hardware Industry for any of the incentives available as per Hardware Policy 2012-2017. Government shall not entertain any correspondence against its decision nor can the matter be subjected to any challenge in any court of law at any point of time.

7. All the incentives mentioned in the Hardware Policy 2012-2017, except the incentive of allowing industrial power category conversion on subsequent/additional/multiple meters/service connections, Power subsidy, exhibition subsidy, patent filing, and quality certification, would be applicable to Electronic Hardware industry, who commence the commercial operations in Andhra Pradesh, prospective to the date of issue of the orders on release of Hardware Policy 2012-2017, vide read above.

8. Definition of Micro, Small, Medium and Large Enterprise as per Ministry of Micro, Small and Medium Enterprise and Reserve Bank of India:

(i) **A micro enterprise** is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;

(ii) **A small enterprise** is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore; and

(iii) **A medium enterprise** is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

(iv) **A large enterprise** is an enterprise where the investment in plant and machinery is more than Rs.10 crores but does not exceed Rs.50 crores.

(v) **A Priority Project** is an enterprise where the investment in plant and machinery is over Rs.50 crores.

9. The Operational Guidelines issued for administration of Incentives available under Hardware Policy 2012-2017 to the eligible Electronic Hardware industry/companies as mentioned above shall be in force and co-terminus with the validity period of the Hardware Policy 2012-2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SANJAY JAJU
SECRETARY TO GOVERNMENT**

To
All the Departments of Secretariat
The Metropolitan Commissioner, HMDA, Hyderabad
The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Hyderabad
The Commissioner, Commercial Taxes, Hyderabad
The Commissioner, Income Taxes, Hyderabad
The Executive Director, APIIC, Hyderabad
The Commissioner, Information and Public Relations, Hyderabad
The Member Secretary, A.P. Pollution Control Board, Hyderabad
The Chairman & MD, AP TRANSCO, Hyderabad
The Managing Director, APCPDCL/EPCPDCL/WPCPDCL/SPCPDCL/NPCPDCL
The Commissioner, Labour, Hyderabad
The Vice Chairman, VUDA/TUDA/VGTMUDA
The Development Commissioner, AP IT SEZs, Hyderabad
The Development Commissioner, VSEZ
The Director, STPI, Hyderabad
The President, ITsAP, Hyderabad
The President, ELIAP, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The President, VITA, Visakhapatnam

Copy to:

The Secretary to GOI, Ministry of Communication & Information Technology, New Delhi
The Chief Minister's Office/Chief PRO to C.M.
The Chief Commissioner, Customs & Central Excise, Hyderabad
The Collector, R.R.District, Hyderabad
The PS to Minister for Information Technology, Hyderabad
The PS to Minister for Finance, Hyderabad
The PS to Minister for Major Industries, Hyderabad
The PS to Minister for Revenue, Hyderabad
The PS to Minister for MA&UD, Hyderabad
The PS to Minister for Energy, Hyderabad
The PS to Minister for Labour, Hyderabad

// FORWARDED : : BY ORDER //

SECTION OFFICER

Annexure-I

(to G.O.Ms.No. 3 IT&C Dept Dated: 11 .01.2013)

Read with :

(G.O.Ms.No. 27 IT&C Dept, Dated: 24.07.2012, Electronic Hardware Policy, 2012-2017)

**Common Application Form for grant of Incentives to Electronic Hardware Industries
listed in the Electronic Hardware Policy 2012-2017**

* * Note: 1. fulfilment of eligibility for any request/claim/incentive mentioned hereunder, does not confer any right on the said claim, or entitle the applicant for su-motto sanction/ release of the same nor is it obligatory for sanction of such claim/request/release of incentive on the part of the Sanctioning Authority. The sanction/release of any incentive is based on justification, merits of each case and subject of availability of budget/resources with the Government. No correspondence, whatsoever, in this regard, will be entertained.

2. Please fill all the columns and enclose the relevant document to avoid rejection.

3. Please apply only for eligible & entitled benefit/incentive to avoid rejection.

4. The veracity on information/figures furnished in the application by the Electronic Hardware industry, on investment/employment/turnover is subject to scrutiny and verification by the competent statutory authority, i.e., Commissioner of Industries/DIC, Commissioner of Commercial Tax, Director, STPI/Development Commissioner, AP-ITSEZ, etc (For discussion)

5. To The Secretary to Government,
Information Technology and Communications Department
Government of Andhra Pradesh
D Block, 3rd Floor, AP Secretariat
Hyderabad-500022

I. Details of Electronic Hardware Company:

1. Name of the Electronic Hardware Company:

2. Name of the Managing Director:

3. Name(s) of the Director(s):

a.

b.

c.

d.

II. Address of Applicant:

Address:

Contact Person:

Email:

Mobile:

Telephone:

III. Nature and activities:

a. Constitution of the Organisation (Pl. tick mark one or more as is applicable:

Proprietary/ Partnership/ Pvt., Ltd.,/ Ltd., Co).

b1.Line of Activity/Core competency/nature/type of the Organisation (Pl. (mark):

1. Electronic System Design/Electronic Hardware Manufacturing/ Electronic Hardware SEZ/
IT/ ITES/Communications/IT Infrastructure Developer/IT Park/IT SEZ

2. Start up

3. SMEs

4. Electronic Product development /R&D Companies

5. SC/ST Entrepreneurs

6. Women Entrepreneurs

7. Tier II/Tier-III locations

8. Electronic Hardware (non-hazardous)

b2. In case your organization is engaged in multiple activities, please indicate your core competency & line of activity from which maximum revenues are generated:

b3. In case your core competency is in Electronic System design and Hardware Product/R&D activity, please give details on patents obtained/registered/ applied for on the date of application

c. Existing Status: (Whether operational/Domestic/Export oriented/100% EOU/STPI/SEZ)

d. Date of incorporation of the Company/Firm

* Enclose Memorandum and articles of Association/ Registration of Firm documents

e. Investment Made:

i) Plant & Machinery: Rs.

.ii) Land & Buildings: Rs.....

iii) Total: Rs.

f. Date of commencement of commercial operations:

(Date on which the first invoice is raised by you on your clients/customer)

g. Performance: (In lakhs of Rupees):

Year Export turnover (if any)

Domestic turnover

Total turnover*

*Provide Annual Reports

h.Total number of Employees employed at present:

i. .Total number of Employees proposed:

*Attach authentication from competent statutory authority, on existing employment (as indicated at Annexure-III)

IV. Incentive applied for (Pl. mark):

- | | |
|--|---|
| 1. 50%/40%/25%/10% Rebate on Power Tariff | 2. Conversion to Industrial Power Tariff |
| 3. 100%/50% Stamp duty Refund | 4. Recruitment Assistance |
| 5. 50% Exhibition Rental Refund | 6. Tier II/III Location Anchor Company Incentive |
| 7. Reimbursement of Patent filing cost | 8. Reimbursement of Quality Certification expenditure |
| 9. Declaration of Electronic Hardware Park Status / SEZ/electronic Hardware Cluster. | 10. Specific Incentives for SC/ST/Women Entrepreneurs |
| 11. Provision of land | 12. Reimbursement of Technology Upgradation cost |
| 13. Subsidy on clean & green production measures | 14. Reimbursement of skill upgradation cost |
| 15. Seed capital assistance | |
| 16. Additional subsidy to SC/ST entrepreneurs. | 17. 3% Interest rebate |
| 18. 10% Subsidy on capital equipment for technology upgradation | |
| 19. 100% Reimbursement of VAT/CST or CGST | |

Category of Company : i. Micro Enterprises ii. Small Enterprises iii. Medium Enterprises
iv. Large Company (Definition of categories mentioned above may please be seen in GO above)

1&2. Conversion to Industrial Tariff & Power rebate (50% / 40% / 25% /10%)

a. Service connection(s) Number (s):

b. Name as mentioned on the Electricity Bill

c. Date of obtaining connection

d. Load: * Enclose copy of the Bill

3. 100% or 50% Reimbursement of Stamp Duty, Transfer Duty and registration fee paid on lease on sale/lease deeds/mortgages & Hypothecations:

a. Name and Location of the Electronic Hardware Park/ESDM company:

b. Extent of already taken/built up space:(sq. ft.)

c. Extent of Land in (acres):.....

d. Nature of transaction

(i) sale or lease:

(ii) Claim for 100%/50% reimbursement. (iii) In case it is 2nd transaction: details of 1st transaction with date, location & amount of reimbursement availed: e. Date of registration:

f. Total value of the transaction:

g. Amount of Registration Fee/Stamp duty and transfer of property duty paid/ mortgages& Hypothecations processing charges paid:

* Enclose copies of the sale/lease deed/ mortgages& Hypothecations and the payment challans

4. Recruitment Assistance:

a. Date of commencement of operations:

b. Number of employees (Recruited)

c. Amount claimed

*Enclose certificate from your audit firm confirming the Name of the employee, date of employment and designation.

Exhibition Subsidy

5.50% Reimbursement of Exhibition Stall Rentals:

a. Name of the Exhibition/Conference participated & location:

b. Cost of Stall Rental for 9 sq Mts (In INR)

c. Dates of Participation

d. Outcome/Business generated

e. Amount claimed:

*Enclose copies of the invoice and receipts from Exhibition organisers.

Investment Subsidy

Anchor Company Incentives

6.Tier-II/III city anchor company incentive:

a.Name of Tier-II/III Location and address:

b. Date of commencement of operations

c.No. of Employees recruited

d. Amount claimed:

*Enclose certificate from your audit firm confirming the Name of the employee, date of employment and designation,DIC,Commissioner of Industries.

7. Reimbursement of Patent filing cost:

a. Name of the Patent:

b. Name of the Product for which Patent Obtained

c. Date & No of Patent obtained (as per the competent authority records)

d. Name & Address of the Patent Approval Authority

e. Amount of expenditure incurred on obtaining the Patent (with proofs of payments made):

f. Amount claimed:

* Enclose(i) Copy of the Patent Certificate from Competent Authority, (ii) Statement of expenditure incurred duly certified by your audit firm

8. Reimbursement of Quality Certification cost

a. Name/Level of Quality achieved:

b. Name & date of the Quality Certificate:

c. Name of the Certifying Authority, with address:

d. Amount of expenditure incurred on obtaining the Quality Certification(with proofs/receipts/bills):

e. Amount claimed:

* Enclose (i) Copy of the Quality Certificate from Competent Authority, (ii) Statement of expenditure incurred duly certified by your audit firm

9.Declaration of Electronic Hardware Park Status / SEZ/electronic Hardware Cluster

a. Extent of Land(Acres)

b. Location(Survey No/ Address

c. Names/Number of Owners

d. Proposed/ Built up area/Plinth Area in sq. ft.

e. Project size(Investment) (in Rs.)

f. Expected Date of Completion:

*Enclose copies of the Sale Deed/Title of Ownership, , Layout Plan, Building Elevation, MoU/GPA with Developer, Detail Project Report.

10. Specific Incentives for SC/ST/Women Entrepreneurs:

(a)Name of the Applicant:

(b) Category of Applicant: SC/ST/Women Entrepreneur

* *Attach proof/evidence/document of the competent statutory authority on the relevant category / community

(c)Total present investment/Assets (movable/Immovable) in the Company by the Applicant : (Rs. Crores):

(d)Share of investment in the Electronic Hardware company

* Attach proof/evidence/document to the effect that the applicant has more than 51% stake holding in the investment/activity/company

(e)Incentive Applied: (Please tick): Recruitment assistance/100% Exhibition stall rental cost Reimbursement/100% reimbursement of Stamp duty and transfer duty paid on financial deeds and mortgages/Rebate on land cost/Investment subsidy on fixed capital Investment /Interest subsidy/ Subsidy on expenses incurred for quality certification/Patent filing cost/Exhibition Participation

(f) Amount claimed:

* Attach proof/evidence/document in support of the claim/specific incentive applied

11.Provision of land :

a. Why is land required?

b. How does it enhance your business?

c. Proposed Activities (pl specify)

d. Proposed Number of Employees on the land, if allotted:

e. Proposed Investment

f. Place/Location of Land required (SEZ/HMDA/Tire-II/Tier-III)

g. Extent of land required (area)(in acres):

h. Proposed Built up area (in sq. ft.):

i. Proposed Start Date:

j. Proposed Completion Date:

k. Source of funding: Any other relevant information/comments/remarks (in justification of your application/request)

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DECLARATION

We hereby declare that the particulars as given in the application are correct to the best of our knowledge and agree to the terms & conditions of Sanction of our request/incentive claimed /applied through this application.

Place:

Date:

Signature:

Name of the Authorized signatory:

Designation:

Annexure – II

(to GO Ms.No: , IT&C Department, dated. .01.2013)

Read with:

(GO Ms.No: 27, IT&C Dept , dated.24.07.2012, Electronic Hardware Policy, 2012-2017)

Consultative Committee on Electronic System Design & Manufacturing (CCESDM)

1). For administering the incentives to the Electronic Hardware Industry in a smooth manner, a high level co-ordination between the various Departments of the Government and the Industry is required. For effectively resolving the problems, overcoming the impediments and ensuring growth of the Electronic Hardware Industry in the State, a Consultative Committee on Electronic System Design & Manufacturing (CCESDM) with the following composition is constituted:

1. Secretary, IT&C Department - Chairman
2. CMD, AP TRANSCO - Member
3. CMD, APCPDCL – Member
4. Commissioner & IG Registration – Member
5. VC & MD, APIIC – Member
6. Member Secretary, A.P.Pollution Control Board
7. Metropolitan Commissioner, HMDA- Member
8. Commissioner, GHMC –Member
9. Commissioner Commercial Taxes
10. Representative of Commissioner of Labour- Member
11. Representative of MA&UD Dept – Member
12. Representative of Commissioner of Industries –Member
13. Joint Collector, R.R.District / Medak / Nalgonda / Mahaboobnagar - Member
14. Director, STPI Hyd, GoI,- Member
15. Development Commissioner, VSEZ –Member
16. President, ELIAP/Secretary, ELIAP – Member
17. Regional Director, NASSCOM- Member
18. Joint Director, Promotion, IT&C Dept – Member Convener
19. Co-opted Member (any representative from Electronic Hardware Industry/
Government/Expert /Professional) as and when required
20. Deputy Director (Promotions), IT&C Dept – Member

2). The CCESDM shall act as a single window for granting all the incentives announced through the Electronic Hardware Policy.

3) The CCESDM shall meet atleast once in two months, but can meet as frequently as required.

4) The terms of reference of CCESDM are indicated below:

(a)To grant various incentives available in the Electronic Hardware Policy 2012-17 to Electronic Hardware industry on examination of applications made by them including approving allotment of lands to the Electronic Hardware Industry.

(b) To resolve the problems in implementation of the Electronic Hardware Policy 2012-17 for speedy realization of the goals set forth.

(c) To prescribe the procedures and to issue guidelines and clarifications in implementation of the Electronic Hardware Policy 2012-17.

5. The CCESDM can recommend/approve/reject/defer any application for incentives at its sole discretion.

6. The term of the members of CCESDM shall be coterminous with the Electronic Hardware Policy 2012-17.

Annexure-III

(to GO Ms.No: , Dept. of IT&C, dated. .01.2013)

Read with :

(GO Ms.No: 27, IT&C Dept, dated.24.07.2012, Electronic Hardware Policy, 2012-2017)

PROVISION OF LAND

I.(1) (i) All allotments of Government land to the Electronic Hardware Industry are made subject to availability, fulfilment of certain eligibility criteria by the applicant Electronic Hardware company, and on payment of land cost & development cost, as determined from time to time by the allotment agencies, i.e., AP Industrial & Infrastructure Corporation (APIIC)/Hyderabad Metropolitan Development Authority (HMDA) and the concerned local Statutory Authorities.

(ii) The eligibility criteria for allotment of land to Electronic Hardware industry is :-

The applicant must also enclose the following documents to the application:-

a) Detailed Project Report/profile with process flow chart, justifying the extent of the land/shed applied for with break-up, details of plot/shed already possessed, whether the premises are required for re-location (shifting) or expansion purposes manufacturing Process, proposed installed capacity (quantity and value), Power, water requirement etc, for the project.

b) Plant / Machinery layout of the proposed project and details of greenery/lawn to be maintained as per the norms of APPCB, if any

c) Copy of partnership deed, in case of existing partnership firm. In the case of proposed partnership firm, it should be stated "Promoter of proposed Partnership firm, giving the names and full addresses of all the partners.

d) A copy of Memorandum and Articles of Association in case of limited Companies and a copy of resolution authorizing the applicant to apply on behalf of the company; if the application is made in the capacity of a promoter of proposed company, same should clearly be stated as "Promoter of proposed Private/Public Ltd Company" and names and full addresses of the promoters may be indicated. If application is being made on behalf of a group of companies and if at the time of making application, it is not known as to which of the companies or a new private/public company from the group will implement the project, the applicant should clearly mention this in the application form and also enclose a list of the companies or individuals with full addresses who are likely to take part in implementation or promotion of the new company.

e) in the case of Co-operative Societies/ Societies registered under the Societies Registration Act, similar details as in the case of limited company may be furnished.

f) Certified copy of address proof

g) Copy of PAN Card for Identify Proof

h) 2 Photographs of the Applicant(s)

i) Any other relevant documents wherever applicable.

Companies availing the allotment of land incentive are not eligible for 100%/50% Stamp duty reimbursement.

(2) Priority Projects: A special and up front negotiated package of incentives, will be offered to priority projects set up by Multinational Corporations (MNCs) and Large scale Electronic Hardware Manufacturing. Priority Projects are defined as such ESDM projects, with present employment of more than 200 in the case of ESDM and 100 in the case of R & D and an annual turnover of more than Rs.50 crores for the last 3 years.

Government has formed State Investment Promotion Committee - SIPC for fast track processing of applications for Mega Project.

State Investment Promotion Committee

1. Chief Secretary, Chairman
2. Principal Secretary to Government, Industries and CIP,
3. Principal Secretary to Government, Municipal Administration & Urban Development
4. Principal Secretary to Government, Energy Department
5. Member Secretary, Pollution Control Board
6. Member Secretary A.P. Pollution Control Board
7. Managing Director, APIIC
8. Commissioner of Industries
9. Principal Secretary to Government, Revenue (CT) Department
10. President, ELIAP
11. Development Commissioner, VSEZ
12. Secretary to Government, IT & Communications Department - Convener

The SIPC will meet to clear pending proposals as and when need arises.

(3) The exact location, extent of land, land/development cost per acre of allotment shall be as determined by the Government.

(4) The minimum gross salary/ wage for an employment to be considered to have been created would be Rs. 5000/-per month or as per Minimum Wages Act of Labour Department, Government of AP. The period for which such employment would have to be sustained to be eligible to be reckoned for this incentive shall be one year.

(5)(a) The incentive of allotment of land linked to employment generation will be limited to the extent of the number of persons of Andhra Pradesh origin employed by the company. A Company will be free to employ persons as per their own policies. However, the concessions available under this incentive will be restricted to the number of persons of AP origin employed by the company.

For the purposes of this provision, a person of AP origin is defined as specified below:

- A resident of the State of AP.
- Domiciled in the State of AP.

- Born in the State of AP.
- Studied in School/College/University in the State of AP.
- A person either of whose parents was born or attended School/College/University in State of AP or was domiciled in AP.

(b) A resident of the State of AP is defined as a person satisfying any of the following criteria:

Whose name finds place in electoral roll anywhere in Andhra Pradesh. Whose name finds place in the citizens data maintained by the Civil Supplies Department and is assigned with a multipurpose identity card no. (Aadhar Card) Who holds a ration card/telephone connection/gas connection in his/her name or in the name of any member of his/her family. Who is able to furnish any other proof of residents like drawl of monthly salary through bank account.

(c) A minimum time period of one year of residence in Andhra Pradesh is stipulated for this purpose. (6) For computing the number of eligible employees two schemes are prescribed as below:

Scheme-A: Taking count of the number of eligible employees at any date chosen by the company within the maximum admissible period in terms of the MoU signed between the Government and the ESDM Company.

Scheme-B: Counting the number of eligible employees on any convenient date chosen/suggested by the company and counting the additional number of eligible employees at the end of each year thereafter within the maximum admissible period, in terms of the MoU signed between the Government and the ESDM Company.

b) In fulfillment of employment obligation on the land allotted as per the terms of allotment, the ESDM companies, may furnish periodically as mentioned above the statement of names, and number of eligible employees, certified by their Statutory Auditors, after satisfying themselves of compliance with the eligibility criteria and furnishing a declaration to the effect.

II. Procedure:

1)The Electronic Hardware companies should submit duly filled up application forms, to the IT&C Department for placing before the CCESDM for approval, along with the justification proposal on the requirement of extent of land for construction of the Company, Memorandum & Articles of Association, Annual Reports and appropriate documentation/ certification from competent authority on existing employment/turnover, as mentioned hereunder:.

(a) Existing employment: The applicant company requesting for allotment of land shall submit the authentication on their existing employment from the concerned competent Statutory Authority as mentioned here under:

(i) Certificate from Provident Fund Commissioner, that the existing employment figure tallies with their records pertaining the PF payments made OR

(ii) Certificate from the Competent Authority that the profession tax for the respective financial year has been paid for the no.of employees indicated in the application OR

(iii) Certificate from the Banker of the respective company in respect of the employees on the rolls of the said company to corroborate the figure of existing employment indicated in the application OR

(iv) Certificate from concerned Income Tax Officer that the appropriate form (Form-24 or Form-16) filed with the Income Tax Dept by the company indicating the no.of employees for whom TDS has been deducted by the company for the respective financial year.

(b) Turnover: Approved and Audited Annual Accounts filed with the Registrar of companies, in support of the latest turnover figures mentioned in the application.

2). The Department of IT&C would enter into a Memorandum of Understanding (MoU) (as at Annexure-VII) with the Electronic Hardware Company applicant on receiving approval from CCESDM. The MoU Copy will be sent to allotment Agencies i.e. APIIC/ HMDA/ VUDAs, etc., for causing allotment of land, subject to the availability, their allotment terms & conditions, and on payment of land cost as is determined by them i.e. APIIC/ HMDA/ VUDAs, etc.

3) Mere fulfilment of eligibility does not confer entitlement for allotment of land. Further, allotment of land is subject to availability and is at the sole discretion of the Government. No correspondence is entertained in this regard.

Annexure – IV

(to GO Ms.No: , Dept. of IT&C, dated. .01.2013)

Read with :

(GO Ms.No:27, IT&C Dept, dated.24.07.2012, Electronic Hardware Policy 2012-2017)

Industrial Category Power Tariff and Power Subsidy

1)Industrial Category Power Tariff: Industrial Power Tariff is admissible to all the units/companies of Electronic Hardware Industry as per eligibility and as indicated/ defined under Electronic Hardware Policy 2012-17 mentioned above

2 Power Subsidy: 50% to micro, 40%to small, 25% to medium and 10% to large scale industry limited to Rs.30 lakhs Power subsidy on power bills up to 5 years from the date of commencement of commercial operations. Rebate in Power Tariff is provided to the eligible ESDM companies, SC/ST/Women entrepreneurs/Tier-II/Tier-III locations, etc., basing on applicable terms & conditions as indicated/ defined under Electronic Hardware Policy 2012-2017 mentioned above

3) The CCESDM will consider the applications of those eligible ESDM Industry after one financial year from the date of commencement of commercial operations of the applicant company/unit.

4) All power connections should be in the name of the ESDM Company applying for concessions.

5) The concession of subsidy in Power Tariff would be available for a period of 5 years from the date of release of power or going into actual commercial production whichever is earlier.

6) ESDM Companies located in multiple premises or having multiple meters would be eligible for the Industrial Category Power Tariff concession provided the power connections are in the name of the ESDM Company.

7) Power Tariff subsidy is subject to the ceiling on amount and time limited as specified in the Electronic Hardware Policy 2012-2017 and is computed on the consumption at/through all such premises/meters put together.

8) The Infrastructure companies building Electronic Hardware Park /ESDM SEZ's need to obtain notified ESDM/ /ESDM SEZ Status from Government at IT&C Dept, subject to stipulated terms & conditions, to pass on the benefit of Industry Power Category Conversion to IT/ESDM companies who have taken office space in their respective ESDM Park/IT Park/SEZ.

9)(i)Notified /ESDM Infrastructure Companies/ESDM Parks/ESDM SEZs are responsible for filing the applications for extending the incentive of (a) Industrial Category Power Tariff conversion and

(b) 50% / 40% / 25% / 10% rebate in Power Tariff only to give effect/benefit to their lessees, i.e., ESDM industry and communications industry, located in their multi-tenanted IT Parks or built to suit IT facilities, by submitting a statement of such companies consumption and rebate applicable as per the limits prescribed. They are responsible for the accuracy and

correctness besides being responsible for obtaining the necessary applications from their clients and submitting to IT&C Department.

(ii) These notified ESDM Parks/SEZ's will have their power connections converted to Industrial Category Power Tariff.

(iii) Please note that the benefit of Industrial Power category tariff , and rebate in power tariff is not meant for the captive benefit of Notified ESDM Infrastructure Developer/ESDM Parks/ESDM. It shall only be passed on to their tenants engaged in ESDM activities. Any violation in this regard is viewed seriously and the respective Notified ESDM Infrastructure Developer/ESDM Parks/ESDM SEZs, is liable for not only withdrawal of such benefit and attract penal provisions as is deemed fit by the Government.

10). Procedure: The ESDM companies should submit duly filled up application forms to the IT&C Department along with the copy of the Power bills in the name of the company, Registration document, Memorandum & Articles of Association, Annual Reports and any such other document required.

11) A certificate would be issued by the Department of IT&C to the effect that the respective ESDM applicant is eligible for the rebate/Subsidy in power tariff or Industrial Category Power Tariff or both, as is applicable, upon the approval of CCESDM.

12) The ESDM companies granted Power Certificates, as per their eligibility, shall claim the benefit from their respective Discom, i.e., APCPDCL/SPDCL/NPDCL/EPDCL, etc., as per their normal power billing cycle.

13) Basing on the Power Certificate issued by Government at IT&C Dept, the respective Discoms, i.e., APCPDCL/SPDCL/NPDCL/EPDCL, will automatically effect the Industrial Power tariff Category Conversion from the date of issue of the said Power Certificate to the ESDM company.

14) With respect Subsidy on Power Tariff, basing on the Power Certificate issued by Govt at IT&C Dept, the respective Discoms, i.e., APCPDCL/SPDCL/NPDCL/EPDCL, will effect the same to the eligible ESDM company as per applicable limits, and claim reimbursement of such claims from IT&C Dept, periodically.

Annexure –V

(to GO Ms.No: , IT&C Department, dated. 01.2013)

Read with :

(GO Ms.No:27, IT&C Dept, dated.24.07.2012, Electronic Hardware Policy 2012-2017)

**100% or 50% Reimbursement of Registration Fee, Stamp Duty & Transfer of Property
Duty paid on sale/lease deeds/mortgage & Hypothecations**

ESDM Industry would be eligible to claim for 100% or 50% Reimbursement in Registration Fee, Stamp Duty & Transfer of Property Duty paid on sale/lease deeds/mortgage & Hypothecations, on 1st and 2nd transaction respectively, as is applicable to their category and as per the following terms and conditions:

1. Eligibility:

(a) For ESDM Industry concession would be available on the outright purchase/lease or lease-cum-sale of land/built up office space for establishing IT facility for its own use provided it does not avail the facility of land allotment.

(b) The above reimbursement would be applicable on the combined levy of registration fee; stamp duty and transfer of property duty paid on sale/lease deeds/mortgage & Hypothecations

(c) IT Infrastructure Companies building ESDM Parks for the use of the ESDM Industry should provide state-of-art building with facilities like uninterrupted/backup power, reliable telecom links, etc. This reimbursement benefit would be available only to an ESDM company when they take office space on lease/sale, in an ESDM/IT Park/SEZ and not to the infrastructure company, who has developed the said IT Park.

(d) This concession would be available only to those who have executed the sale/lease-deed after the announcement of the ESDM Policy and subject to the approval of the CCESDM.

(e) The Infrastructure companies building ESDM Parks need to obtain notified ESDM Park Status from Government at IT&C Dept, subject to stipulated terms & conditions, to enable ESDM companies taken office space in their respective IT Park, to claim this concession.

2. Procedure: The ESDM companies should submit duly filled up application forms to the IT&C Department for placing before the CCESDM for approval along with the copy of the sale/lease deed, Memorandum & Articles of Association, Annual Reports, receipts/ challan paid on the amount of Registration Fee, Stamp Duty & Transfer of Property Duty to the Sub-Registrar, Registration Dept, and any such other document required.

3. Performance Guarantee: The ESDM Companies availing the above concession should provide a Bank Guarantee, as per proforma, (copy enclosed) for an equal amount of their claim for a period of 3 years from the date of release of the said amount by Govt.

ANNEXURE-VI

(to GO Ms.No: , Dept. of IT&C, dated. 01.2013)

Read with :

(GO Ms.No: 27, IT&C Dept, dated.24.07.2012, Electronic Hardware Policy 2012-2017)

PERFORMANCE GUARANTEE (BANK GUARANTEE)

This performance Bank Guarantee made thisday ofmonth
.....year by M/s....., having its registered office at
.....

A) Where as M/s a company incorporated under the Companies Act 1956 and having its corporate office at requested for the incentive of,

B) Whereas on consideration of the said request, the Government of Andhra Pradesh based on Electronic Hardware Policy 2012-2017, issued vide G.O.Ms.No.27, IT&C Department, dt:24.07.2012, read with G.O.Ms.No....., dt:..... on the operational guidelines thereon, has sanctioned an amount of Rs..... and released an amount of Rs..... as instalment in this regard.

C) Further as per the G.O.Ms.No.27, IT&C department, dt:24.07.2012, read with G.O.Ms.No....., dt:..... on the operational guidelines. Department of IT&C, Government of Andhra Pradesh and M/s..... have agreed that in the event M/s.....fail to fulfill the conditions, in full or in part, then in such an event, Rs..... (Rupees.....) is to be refunded to the Department of IT&C, Government of Andhra Pradesh.

D) In order to secure the performance of M/s.....to pay the claim amount basing on the terms and conditions contained in the G.O.Ms.No.27, IT&C Department, dt:24.07.2012, read with G.O.Ms.No....., dt:..... on the operational guidelines thereon, by Government of Andhra Pradesh, as required, M/s.....has requested the Bank to provide a Guarantee and the Bank hereby guarantee the payment of the claim amount subject to the following terms and conditions.

NOW THIS BANK GUARANTEE WITNESSETH FOLLOWS:

1) All capitalized terms used herein and in G.O.Ms.No.27, IT&C Department, dt:24.07.2012, read with G.O.Ms.No....., dt:..... on the operational guidelines, hereto if not specifically defined shall have the same meaning assigned to.

2) The Bank hereby irrevocably guarantee and undertake to pay to Department of IT&C, Government of Andhra Pradesh, on written demand, without demur, reservation, contest, recourse or protest, to the Department of IT&C, Government of Andhra Pradesh the claim amount in full.

3) Not withstanding anything contained herein above, the Bank's maximum liability under this guarantee is strictly restricted to Rs..... (Rupees.....only).

4) This Guarantee will come into force with immediate effect and shall remain in force and valid for a period of three years.

5) This unconditional and irrevocable Bank Guarantee shall be available for invocation and payment at the bank counters in Hyderabad or Secunderabad. Any demand under the guarantee must be made in writing and must be dispatched at the Bank's address at whilst the guarantee remains in force as above. On receipt of such demand, the guarantor shall pay to the Department of IT&C, Government of Andhra Pradesh the amount of the demand within 15 business days following the invocation of the guarantee by the Department of IT&C, in writing as aforesaid.

The courts located in the twin cities of Hyderabad and Secunderabad shall have jurisdiction over any dispute arising out of this guarantee.

Notwithstanding anything contained herein:

1. Our liability under this Bank Guarantee shall not exceed Rs..... (Rupees.....only).

2. This Bank Guarantee shall be valid upto 3 years and

3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if IT&C Department serve upon us a written claim or demand on or before(Date of expiry of Guarantee). In witness whereof the guarantee is executed by Sri..... on behalf of the Bank who as Principal Officer of the bank are authorised and competent to execute such like guarantees including the present one.

ANNEXURE-VII

(to GO Ms.No: , IT&C Dept, dated. .01.2013)

Read with :

(GO Ms.No: 27, IT&C Dept, dated.24.07.2012, Electronic Hardware Policy 2012-2017)

STANDARD MEMORANDUM OF UNDERSTANDING*

(*Subject to changes based on mutual agreement)

This Memorandum of Understanding (“MOU”) is entered into on this, the day of, at Hyderabad;

BY AND BETWEEN

The Governor of Andhra Pradesh represented by the Principal Secretary/Secretary to the Government, Information Technology and Communications Department, Government of Andhra Pradesh (hereinafter referred to as “GoAP” which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors/representatives) of the First Part;

AND

M/s....., a company incorporated under the Companies Act, 1956 having its registered office at represented by Sri., (hereinafter referred to as M/s..... which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns) of the Second Part.

RECITALS

WHEREAS, GoAP has announced Electronic Hardware Policy 2012-2017 through G.O.Ms.No.27, Information Technology & Communications Department, dated 24th July, 2012, pursuant to which M/s....., has agreed to set up an Electronic System design and Hardware Manufacturing ESDM facility for its own use at in the State of Andhra Pradesh to undertake activities such as ESDM Manufacturing (hereinafter referred to as “Activities”, and which Activities fall within the scope of the ESDM Policy and for this purpose wishes to purchase/acquire certain land (more fully described in Schedule attached hereto and hereinafter referred to as “Plots”) under the terms of the Electronic Hardware Policy 2012-2017 and on the terms and conditions contained herein; and

WHEREAS, GoAP has agreed to facilitate the establishment of the facility by M/s..... and the parties hereto have agreed to set out the broad terms of their understanding as under.

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS FOLLOWS:

1. Basic Understanding

In consideration of the price per acre/ lease premium as determined by Government, GoAP has agreed to cause APIIC/HMDA to allot on Agreement of Sale/lease basis and

M/s..... agrees to take from Allotment Agency APIIC/HMDA the Plot subject to the terms and conditions contained herein. The parties hereto further agree that M/s..... shall use the Plot for the purpose of undertaking of Electronic System Design and Manufacturing Activities. It is further clarified that the Plot can be used by the sub-contractors or vendors of M/s..... and/or its affiliates, provided such sub-contractors or vendors are undertaking the Activities as a special project for M/s.....-and/or its Affiliates. For the purpose of this MoU, the term “Affiliate” means and includes any body corporate in which M/s..... subscribes to not less than 26% of the share holding of such Affiliate.

2. Terms & Conditions and the completion of the transaction envisaged under this MoU is subject to the fulfilment of the following conditions precedent:

(a) The Government of Andhra Pradesh, in due consideration of this Memorandum of Understanding shall cause Allotment Agency to allocate an area of about acres of land situated in at to M/s..... @ Lease premium/price per acre towards the land cost/development charges (approximately) payable and as determined by Govt/ Allotment Agency as per the terms and conditions prescribed herein. The Development Cost amount mentioned is subject to variance depending on the actual ground conditions.

(b) The undeveloped land/plot is considered for allotment in ‘as is where is’ condition.

(c) Completion of satisfactory due diligence by M/s..... of the Plot, but not limited to, an environmental due diligence of the Plot, suitability of the Plot, for the purpose of undertaking the activities in the manner satisfactory to M/s....., availability of adequate utilities and ownership title of the Plot.

(d) Obtaining by M/s..... of the requisite corporate and regulatory approvals, (including approvals from the parent company) including approvals to install and operate the various communication facilities on the Plot, Allotment Agency facilitating such assistance that M/s..... may reasonably require in order to obtain such approvals as may be necessary and required by M/s..... to undertake the Activities; (Not understood/need discussion)

(e) Employment of ----- is to be guaranteed for every acre of allotment.

(f) M/s..... has to commence construction within 6 (six) months from the date of handing over possession of land. Complete the project within 18 months of taking over the possession of land (Subject to Business Plan Justification). Otherwise the allotment will be cancelled without any notice.

(g) M/s..... will construct an ESDM Unit for their own purpose within the said land of aboutacres of Plot with an estimated investment of approximately Rs. crores on theacres Plot and build its Electronic Hardware Manufacturing .

(h) M/s..... have to make their own arrangements to provide all infrastructure like power, water, bandwidth, road connectivity etc., to their allotted plot.

(i) M/s..... should lay their own approach road on their own cost within 3 months from the time of signing of the MoU – under supervision of Allotment Agency.

(j) Allotment Agency shall be the nodal agency for assisting in getting required permissions and shall supervise the optimum utilization of allotted lands.

(k) The Allotment Agency lay out in which the Plot is allotted to M/s..... would be part of an approved Electronic Hardware Cluster. The expenditure incurred for construction of common compound wall for customs bonding facility by Allotment Agency or payment made by Allotment Agency to any consultant for development of the layout as cluster, over and above the development charges mentioned at (c) above, shall have to be shared by M/s..... proportionately with other allottee ESDM Companies in the Lay out.

(l) M/s..... shall pay the management cost, maintenance costs, local area administration costs, in the form of property tax, water charges, power charges, etc., to Allotment Agency and any other statutory agencies from time to time as is applicable to other allottees and as per Municipal/ Local/ Civic Administration Rules/Acts/Statutes in force.

(m) The transfer of Title through Agreement/Deed will be considered only after compliance of all the terms of allotment and other conditions, if any, imposed from time to time shall be adhered

(n) This allotment of land is subject to compliance of all the Rules, Regulations, Terms & Conditions of allotment of APIIC, Electronic Hardware Policy 2012-2017 of GoAP

(o) M/s..... shall not approach any court of law on the above clauses. Any disputes/differences of opinion will be amicably settled by the IT&C Department/ Allotment Agency. (p) Any other terms and conditions as deemed fit from time to time imposed by the GoAP on the allotment made are binding upon M/s.....

3. Consideration

The parties hereby agree that M/s. employs eligible employees as stipulated in the Electronic Hardware Policy 2012-2017, on the said Plot within three years from the date of taking over possession of the Plot.

4. Completion Date: Under this MoU, the Completion Date shall mean the date on which all the conditions, precedents stated in Clause 2 & 3 above are completed by M/s..... execution of definitive agreements by the parties, registration of the Lease Deed with the appropriate Sub-Registrar of Assurances and handing over the vacant and peaceful possession of the Plot to M/s.....

5. ESDM Policy: The incentives, terms & conditions of the ESDM Policy of GoAP shall be applicable to the proposed allotment of the Plot to M/s.....

6. Miscellaneous:

(a) Use of Premises: Alienation of the Premises: M/s..... shall not assign; transfer, or in any manner alienate the Plot to any person other than to an ESDM companies as defined in the ESDM Policy 2012-2017 without the prior written approval of IT&C Dept, Govt. of AP, subject to the condition that, nothing contained herein shall be deemed to restrict the affiliates or sub-contractors or vendors of M/s..... from utilizing the plot for the purpose of undertaking the activities for the benefit of M/s..... or its affiliates.

(b) Term: This MoU shall remain in force for a period of three months from the date of execution, unless such term is extended by the mutual consent of the parties hereto.

(c) Non-binding: This Memorandum of Understanding constitutes an expression of interest, and should not be in any manner construed to be a legally binding commitment for either party. Both sides understand that prior to proceeding to execute a definitive agreement, M/s..... and Allotment Agency are required to obtain certain corporate and regulatory approvals, and in the event such approvals are not obtained before expiry of the term, this Memorandum of Understanding would terminate without any liability to either party. On obtaining the requisite approvals, the parties shall communicate the same to each other. However, M/s..... shall obtain all necessary approvals/ clearances within (90) days from the date of entering into the MoU.

IN WITNESS WHEREOF, the aforementioned parties have affixed their signatures and seal on the date, month and year first above written.

Govt of Andhra Pradesh
M/s.....

Secretary, IT&C Dept

WITNESSES:

- 1.
- 2.
- 3.
- 4.

Schedule to the Memorandum of Understanding dated:

DESCRIPTION OF THE PLOT

All of the freehold land located in at to M/s....., admeasuring about acres.

Secretary to Government
IT&C Department
